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HOUSING¹

Housing Profile

Salisbury offers many housing choices including some of the lower priced housing in the region. Housing can be found in rural areas with large lots, in suburban neighborhoods with moderate sized lots, and in some densely settled village centers or neighborhoods. The largest percentage of Salisbury's housing is single-family, and the Town has a substantially lower average of larger multi-family homes than the State, and a larger than average percent of mobile homes. Salisbury housing represents a variety of architectural styles as well: pre-1800 colonials and cottages, duplexes and triplexes of the early twentieth century, split levels and ranches of the 1960s and 1970s, and contemporary homes and condominiums from the 1980s to present.

Number and Type of Housing Units

Based on 2000 Census data, Salisbury's total housing inventory includes 4,156 units, 83% for year round occupancy. Detached single-family homes comprise about 56% (2,346 units) of Salisbury's housing stock, and the town also has a sizeable complement of two family homes, nearly half of which are seasonal.

¹ Salisbury Housing Plan, 2006

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Table 1: Number of Housing Units and Vacancy Rate by Building Type, 2000

Number of Units In Structure	Salisbury		Essex County		Massachusetts	
	Total	% Vacant	Total	% Vacant	Total	% Vacant
Total	4,156	25.8%	287,144	4.1%	2,621,989	6.8%
1-Family Detached	2,346	18.5%	149,666	3.2%	1,374,479	7.3%
1-Family Attached	139	43.2%	13,755	3.1%	104,129	6.6%
2-Family	595	47.1%	35,390	5.8%	304,501	5.8%
3-4	384	26.3%	34,649	6.0%	299,416	7.0%
5-9	219	57.5%	15,840	5.7%	156,135	7.2%
10-19	113	42.5%	11,735	4.9%	113,697	5.4%
20+ Units	62	12.9%	24,127	3.4%	244,892	5.3%
Mobile home	298	6.0%	1,874	4.4%	24,117	8.1%
Other	0	N/A	108	51.9%	623	50.6%

Source: Census 2000, Summary File 3 Tables H30, H31.

As a percentage of the total housing inventory, multi-family units are less common in Salisbury (18.7%) than in Essex County (30.1%), and this is also true for attached single family units such as townhouses or row houses. Salisbury stands out in another way, however: mobile homes make up a disproportionately large share of the town's total housing inventory. In fact, 16% of Essex County's entire mobile home inventory is in Salisbury and Salisbury ranks second out of 34 Essex County communities for absolute number of mobile homes.

The high percentage of vacant properties is a reflection of Salisbury's large percentage of seasonal homes and rental units. Excluding seasonal units, in April 2000 7.9% of Salisbury's housing was vacant and available for occupancy, primarily rental. The Town had only 15 homes for sale, for a homeownership vacancy rate of .08%; and 310 units for rent, for a rental vacancy rate of 24.2%. In addition, many if not most of the vacant rental

units were off-season rental units that would soon revert to high-cost summer rentals for families vacationing at Salisbury Beach.

Housing Characteristics

The age, condition and value of homes in Salisbury offer both a snapshot of the Town's physical character and some insight into current and future needs.

Single Family: Since single-family homes are the most common form of housing in Salisbury, their characteristics influence the visual and social fabric of the town. Salisbury's older homes are of a generally modest size, with those built during the interwar period of 1920 to 1945 the smallest. Homes have been dramatically increasing in size since the 1980's with the newest homes being the largest, having more rooms, more living area and amenities, and more land. These differences make an average profile of Salisbury's single-family homes somewhat deceptive, but generally it can be said that compared to many small towns in Eastern Massachusetts, Salisbury homes tend to be somewhat smaller and with fewer amenities such as in-ground pools and multiple fireplaces.

A related class of single-family homes in Salisbury consists of parcels with a detached second dwelling unit, such as a cottage or an older non-residential structure converted at some point to residential use. Sometimes, the second dwelling unit is a mobile home, but in most cases the unit is a permanent, free standing, wood-frame building smaller than the principal residence. Salisbury has 88 of these properties and most were developed prior to

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1940. Not surprisingly, their average lot size of 1.5 acres exceeds the town-wide average for conventional single family homes (.91 acres). In addition, Salisbury has 10 single-family homes on large parcels, all in association with land under Chapter 61 or 61A agreements and most in the Salisbury Plains area. These forest and farm properties occupy a combined total of about 712 acres and most are resident owned. Much of the farmland is used for pasture or production of forage crops or vegetables.

Table 2 provides a summary profile of Salisbury's present single-family home inventory.

Table 2: Physical Characteristics & Value of Single-Family Homes by Year Built

Year Built	Averages								
	Total Value	Lot Size (Ac.)	Gross Bldg Sq Ft	Net Bldg Sq Ft	Height (Stories)	No. of Rooms	No. of Bedrooms	No. of Baths	Building Value Per Sq Ft
Pre-1900	\$288,301	1.05	3,507	1,796	1.9	6.7	3.2	1.5	\$67.09
1900-1919	\$268,444	0.53	2,784	1,433	1.7	5.9	3.0	1.4	\$65.21
1920-1929	\$232,610	0.61	2,462	1,301	1.6	5.4	2.7	1.3	\$65.38
1930-1939	\$226,682	0.56	2,274	1,233	1.4	5.3	2.6	1.3	\$68.81
1940-1949	\$250,810	0.52	2,503	1,289	1.5	5.6	2.9	1.3	\$69.90
1950-1959	\$235,055	0.50	2,624	1,344	1.3	5.3	2.7	1.3	\$74.72
1960-1969	\$246,947	0.66	2,956	1,565	1.3	5.8	2.9	1.5	\$75.58
1970-1979	\$280,082	0.74	2,886	1,733	1.2	6.2	3.1	1.6	\$80.76
1980-1989	\$320,584	1.54	3,666	2,030	1.5	6.3	3.0	1.9	\$82.17
1990-1994	\$341,568	1.10	3,699	2,004	1.6	6.1	3.1	2.3	\$91.04
1995-1999	\$347,520	1.81	3,855	2,112	1.7	6.3	3.1	2.3	\$94.37
2000-2004	\$381,690	1.42	4,470	2,479	2.0	6.4	3.0	2.8	\$92.15

Source: Salisbury Assessor's Office, Banker & Tradesman data file. Note: Values are based on preliminary FY06 assessments not final as of the date of this report. Table 10 excludes new lots without a completed single-family home.

Condominiums: Salisbury's 437 condominiums likewise do not follow an easily discernible pattern since many were created by converting older multi-family rental properties while some of the newest condominium units are in Chapter 40B

developments where their assessed values reflect a combination of market-rate and affordable units. Still, there is a significant spread in unit sizes and values and overall, Salisbury's condominium inventory offers choices to single people and couples at most market levels and in more limited cases to small families. It is also clear that many condominiums in Salisbury are investor owned or held for seasonal occupancy, because for roughly half of the units, the owner's tax bill address differs from the unit location. The majority of the Town's condominiums are located within the beach district.

Table 3: Physical Characteristics & Value of Condominiums by Year Built

Year Built	Averages								
	Total Value	Lot Size (Ac.)	Gross Bldg Sq Ft	Net Bldg Sq Ft	Height (Stories)	No. of Rooms	No of Bedrooms	No. of Baths	Building Value Per Sq Ft
Pre-1900	\$145,600	N/A	1,546	874	2.0	5.0	2.0	1.0	\$166.59
1900-1919	\$281,400	N/A	1,741	1,205	1.5	4.0	2.0	1.8	\$233.53
1920-1929	\$179,171	N/A	1,130	787	1.2	4.6	2.4	1.2	\$227.45
1930-1939	\$384,333	N/A	2,989	1,883	1.6	6.3	3.0	2.3	\$202.33
1940-1949	\$218,961	N/A	1,153	796	1.0	4.8	2.6	1.1	\$275.00
1950-1959	\$162,600	N/A	1,275	647	1.0	3.9	1.6	1.0	\$251.21
1960-1969	\$170,909	N/A	1,135	814	1.0	4.1	2.8	1.1	\$209.85
1970-1979	\$219,395	N/A	2,012	1,276	2.0	4.7	2.6	2.0	\$171.29
1980-1989	\$313,162	N/A	1,757	1,289	1.4	5.2	2.7	1.8	\$239.16
1990-1999	\$297,854	N/A	1,472	1,201	1.3	5.2	2.8	2.0	\$247.94
2000-2004	\$219,091	N/A	1,713	1,145	1.6	4.2	1.9	1.8	\$191.31

Source: Salisbury Assessor's Office, Banker & Tradesman data file.

Two-family homes remain the second most prevalent housing type in Salisbury with the 2000 census reporting 595 dwelling units, which is generally consistent with local records. They can be found all over Salisbury and include a variety of styles and sizes.

Nearly half were created through single-family home conversions, and these units are often the oldest two-family homes in Salisbury's housing inventory (five predate 1800). Duplexes, raised ranches and raised colonials are common two-family styles in Salisbury. The units are generally in good condition, yet except for the newest two-family homes and those built before 1900, Salisbury's two-family dwellings are fairly modest: two bedrooms and one+ bathroom per unit, an average property value of \$324,020, and land values that exceed the value of the buildings themselves.

Table 4: Physical Characteristics & Value of Two-Family Homes by Age Year Built

Year Built	Averages								
	Total Value	Lot Size (Ac.)	Gross Bldg Sq Ft	Net Bldg Sq Ft	Height (Stories)	No. of Rooms	No of Bedrooms	No. of Baths	Building Value Per Sq Ft
Pre-1900	\$313,142	0.86	5,239	2,669	2.1	10.0	4.9	2.3	\$30.39
1900-1919	\$341,038	0.21	3,638	2,088	1.9	10.0	5.3	2.4	\$31.53
1920-1929	\$311,900	0.24	3,308	2,131	1.9	9.1	5.0	2.4	\$34.89
1930-1939	\$334,076	0.50	3,087	2,015	1.8	9.6	4.9	2.3	\$39.17
1940-1949	\$296,300	0.09	3,150	2,012	1.7	8.7	4.5	2.4	\$39.03
1950-1959	\$269,461	0.22	3,018	2,038	1.5	8.4	4.4	2.4	\$41.11
1960-1969	\$263,394	0.26	3,270	1,992	1.5	8.6	4.4	2.3	\$38.88
1970-1979	\$359,033	0.26	3,509	2,230	1.6	9.1	4.3	2.4	\$51.94
1980-1989	\$403,188	0.18	3,873	2,619	2.0	9.9	4.4	2.9	\$53.40
1990-1999	\$646,500	0.12	6,057	3,748	2.8	10.7	6.0	4.3	\$46.71
2000-2004	\$553,525	0.14	7,269	4,158	2.4	11.3	6.8	3.5	\$48.03

Source: Salisbury Assessor's Office, Banker & Tradesman data file.

Multi-family homes offer modest housing in generally good condition and can typically be found around Salisbury beach on building lots of a quarter acre or smaller. Over half of these dwellings are non-resident owned.

Larger rental buildings with more than nine units are not common in Salisbury because the town is small and its land use pattern has traditionally favored densely developed small-scale housing or single family homes on large rural lots. The town has just six rental properties with buildings of 9+ units, including an 80-unit elderly public housing development owned by the Salisbury Housing Authority, a privately owned 30-unit subsidized elderly development and a 30-unit assisted living facility. The other properties include one motel-style building and two buildings with small garden apartments.

Update with recent 40B and new development at Beach

Mobile homes serve as a major source of affordable housing in Salisbury. The Census Bureau identified 298 mobile home units in 2000, or 7.2% of the town's total housing inventory. Mobile homes exist on individual privately owned lots and in mobile home communities such as on Folly Mill Road in Salisbury Plains, Heritage Park and Kendall Lane off the Route 1 corridor (Lafayette Road) and Liberty Street within the beach district. Some of the town's mobile homes provide vacation or seasonal housing options, but most appear to be year-round occupied and usually by seniors. Salisbury's mobile homes also provide housing that is fairly stable, for only eight of the units were sold in arm's-length transactions between 2000 and 2005.

Seasonal homes make up 17% of Salisbury's housing stock. While high compared to its neighbors and most non-beach towns in the state, the number of seasonal housing units has dropped dramatically in the last 30 years as cottages have been winterized and converted to year-round units or demolished and replaced with larger homes. In the

federal census tract that includes Salisbury Beach, the number of seasonal units declined from 63% to 28% of the total housing inventory from 1970 to 2000.

Recent Housing Development

Since 2000, the Town has issued building permits for 576 dwelling units, representing a growth of 13.9 percent since the 2000 federal census. This represents a 10-year growth rate of about 18.5%, or about 4 percent slower than the 22.2% housing growth of the 1990s.

Table 5: Residential Building Permit Activity, 2000-2007

Units in Structure	Units Authorized by Building Permits								Total
	2000	2001	2002	2003	2004	2005	2006	2007 (Jan-Jun)	
1	23	24	33	22	112	128	98	11	452
2	2	2	8	12	2	4	2	2	36
3-4	0	0	0	8	0	6	0	3	17
5+	8	0	0	50	0	0	0	16	74
All Units	33	26	41	92	114	138	100	32	576

Source: U.S. Department of Housing and Urban Development, State of the Cities Data System (SOCDS), Building Permit Database, <http://socds.huduser.org/permits/index.html> (accessed August 19, 2007)

Tenure

Ownership²

About 69% of Salisbury's households own the housing they occupy. Married couple families are more likely to own their own homes in Salisbury, while single parents and non-family households are more likely to rent. Nearly 74% of all the owner occupied

² Housing Needs Assessment, 2005

households in Salisbury are family households, compared to 43.6% of renters. More than 81% of these family households live in a married couple family, compared to 58.1% of renter families. 31.7% of all non-family, owner occupied households are elderly.

As the Town contemplates its future housing needs, it is prudent to consider the 455 Salisbury residents who were between the ages of 15-24 at the time of the 2000 census, as they will begin to come of age and start families of their own over the upcoming years. In addition of the 857 residents between the ages of 55-65, many will be entering retirement and may be ready to explore new housing opportunities, while also freeing up existing homes for the next generation of Salisbury families. Salisbury has a high percentage of elderly low income home owners who may be interested in smaller ownership units designed for older citizens if provided with affordable options that allow them to maintain more of their assets than recent 40B proposals allowed.

Table 6: Characteristics of Homeownership Households in Salisbury as of 2000 Census

Owner-occupied housing units	Number	Percent
Family households	1,559	73.8
Householder 15 to 64 years	1,285	60.8
Householder 65 years and over	274	13.0
Married-couple family	1,264	59.8
Male householder, no wife present	90	4.3
Female householder, no husband present	205	9.7
Non-family households	554	26.2
Householder 15 to 64 years	378	17.9
Householder 65 years and over	176	8.3

Source: 2000 US Census

Rental

About 31% of Salisbury's households rent the housing unit they occupy, a somewhat smaller percentage than in neighboring Amesbury or Newburyport. Though unlike Amesbury and Newburyport that show decreases in rental units since 1990, Salisbury experienced significant 10-year growth in the number of renter-occupied units reported by the Census – an absolute increase of 295 units (Table 7). This seems to indicate that Salisbury has absorbed some of the rental housing demand that was effectively displaced by homebuyer market forces in neighboring communities. Since 2000, however, some of Salisbury's small, older multi-family properties have been redeveloped as condominiums.

It is interesting to note that of Salisbury's rental properties, more than one third are single family homes. This is a dramatically high percentage (36.3%). For comparison: in the same time period only 9.6% of all rental housing in Massachusetts was located in single-family homes. This is in part due to the single family vacation units that make up a large percentage of Salisbury's rental housing.

Data also reflects that rental opportunities in Salisbury are vulnerable to vacation market demand, such as off-season rentals that shift to vacation rentals over the summer. Salisbury and the region have very little housing developed for year round rental occupancy, and much of what does exist is public housing subject to income, age or disability restrictions.

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Table 7: Change in Renter-Occupied and Vacant Units in Salisbury, Amesbury & Newburyport, 1990-2000

Community & Units in Structure	Census 2000		1990 Census		Absolute Change	
	Occupied Units	% Renter-Occupied	Occupied Units	% Renter-Occupied	# Renter Units	# Vacant Units
Salisbury						
1-Family Detached	1,913	16.5%	1,509	9.8%	118	-85
1-Family Attached	79	45.6%	65	15.3%	18	7
2-Family	315	66.0%	251	23.3%	64	-88
3-4 units	283	72.4%	146	26.0%	91	-192
5+ units	212	87.3%	135	85.9%	69	-22
Mobile home	280	6.4%	381	13.4%	-44	-62
Other	0	N/A	35	56.8%	-21	-2
Total	3,082	31.4%	2,522	16.7%	295	-444
Amesbury						
1-Family Detached	3,200	6.7%	2,609	7.0%	19	-76
1-Family Attached	463	19.7%	335	20.6%	6	-60
2-Family	730	55.3%	795	56.7%	-81	16
3-4 units	633	74.7%	470	76.7%	81	-10
5+ units	1,316	76.4%	1,197	95.2%	-135	-97
Mobile home	20	25.0%	60	26.2%	-11	-1
Other	0	N/A	56	52.6%	-30	-1
Total	6,362	34.4%	5,522	39.1%	-151	-229
Newburyport						
1-Family Detached	3,906	7.9%	3,343	7.0%	53	-104
1-Family Attached	743	24.2%	613	20.4%	39	-48
2-Family	632	50.0%	852	56.6%	-205	17
3-4 units	825	78.2%	703	76.7%	58	-45
5+ units	1,421	74.7%	1,142	87.6%	62	-82
Mobile home	10	0.0%	3	25.0%	-1	-1
Other	0	N/A	98	47.6%	-50	-7
Total	7,537	33.3%	6,754	34.5%	-44	-270

Source: Census 2000, Summary File 3 Table S030, H31, H32; 1990 Census, Summary File 1 Tables H041, H042, H043.

Age and Condition of Rental Housing

At the time of the 2000 census, the median age for a rental unit in Salisbury was 1959.

While Salisbury has traditionally reported a low percentage of rental units per total housing units in comparison to other Massachusetts communities, it has been closing that

gap by consistently creating a higher percentage of rental units than the state average in each decade over the last 50 years.

Table 8: Age of Renter Occupied Housing Units As Percentage of Total Occupied Units

	Salisbury	Massachusetts
Pre-1950	33.9%	49%
1950 – 1959	17.9%	11%
1960 – 1969	6.4%	12%
1970 – 1979	15.7%	15%
1980 – 1989	14.9%	9%
1990 – 2000	11.2%	4%

Source: 2000 US Census

The fact that Salisbury’s rental housing stock is newer in age is suggestive of a higher quality of rental housing stock, although the high vacancy rate, large number of mobile homes and low median income would support the need to continue utilizing housing rehabilitation programs. The 2004 Community Development Plan cited data from the Salisbury Assessors Office to indicate that only 1.7% of Salisbury’s multi-family housing stock and 1.5% of our single-family housing stock fell in the range of poor – very poor condition.

Profile of Renters and Rental Demand³

Just as Salisbury residents earn less than residents of other cities and towns in Essex County, so do Salisbury renters. They are poorer, younger and more mobile than their

³ Salisbury Housing Needs Assessment, 2005

homeowning neighbors. While the median household income throughout Salisbury was \$49,310 for the 2000 census, the median household income of renters was only \$36,543.

Residents paying more than 30% of their gross household income for rent are considered to be at risk of having to choose between paying their rent or purchasing essential living needs, such as food and medicine. In 2000, 32.2 % of all renter households in Salisbury paid 30% or more of their gross household income for rent, compared with 36.4% of all renter households statewide. 15.7% of Salisbury's rental population is considered exceptionally high risk because they are paying 50% of their gross household income for rent.

Table 9: Gross Rent as a Percentage of Household Income, 1999

% of Household Income	Number	Percent
25 to 29 percent	110.0	11.4%
30 to 34 percent	74.0	7.7%
35 to 39 percent	19.0	2.0%
40 to 49 percent	65.0	6.8%
50 percent or more	151.0	15.7%
Not computed	37.0	3.9%
Median	22.8	(X)

Source: 2000 US Census

According to the 2000 US Census, 55.4% of Salisbury's renter households are made up of non-families, while 44.6% are made up of families. Salisbury also has a lower percentage (16.8%) of all householders age 65 and over living in rental housing than the state average of 19%. Table 10 shows additional demographic information on composition of households renting in Salisbury as of 2000.

Table 10: Household Composition of Renter Occupied Housing Units

Household Composition	Number	Percent
Family households	432	44.6
Householder 15 to 64 years	386	39.8
Householder 65 years and over	46	4.7
Married-couple family	251	25.9
Male householder, no wife present	51	5.3
Female householder, no husband present	130	13.4
Non-family households	537	55.4
Householder 15 to 64 years	406	41.9
Householder 65 years and over	131	13.5

Source: 2000 US Census

Comparison of the number of persons per rental unit against the bedroom sizes available in the market does not suggest any obvious gaps between availability and need in relation to the number of bedrooms. It should be noted that 68.6% of the occupied rental units in Salisbury have 2 bedrooms or less, while 31.4% have 3-4 bedrooms.

Table 11: Number of Bedrooms per Rental Unit

Number of Bedrooms	Number	Percent
No bedroom	9	0.9%
1 bedroom	336	34.7%
2 bedrooms	319	33.0%
3 bedrooms	263	27.2%
4 bedrooms	41	4.2%
5 or more bedrooms	0	0.0%

Source: 2000 US Census

Housing Market (availability/affordability)

Salisbury has attracted fairly strong interest from residential developers in the past five years. New homes and condominiums, condominium conversions, and major alterations to existing housing units have contributed 61-89% of Salisbury's new growth revenue each year, and building permit statistics suggest that Salisbury has already added about 306 new homes to its Census 2000 housing inventory of 4,156 units. Even though the market softened in 2003-2004, single-family home and condominium prices have increased significantly in Salisbury. Table 12 compares recent median sale prices for single-family homes and condominiums in Salisbury, Amesbury and Newburyport.

When the recession lifted in the early 1990's, market values in Salisbury's region began to accelerate, though not as rapidly as in areas closer to Boston or along I-495 west of the city. In fact, Salisbury homes did not recover to their pre-recession market values until the middle of 1998, roughly a year after the market had turned in Amesbury and Merrimac. Salisbury's response to the recession was similar to many communities with a large base of moderately-priced homes: the recovery process trailed an upswing in the market nearby.

More interesting, is the dramatic rise in Salisbury home prices after 1999. Although Salisbury still offers the region's least expensive single-family houses, home values have appreciated more rapidly here than in all other communities nearby. From 2000-2004 Salisbury's median single-family home price increased by 77% while neighboring communities saw only a 47 – 69% rise. Condominium values in Salisbury have also

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increased dramatically: 67% compared to 52% in Newburyport, and close to the 69% increase in Amesbury.

Table 12: Median Single-Family Home and Condominium Sale Prices, 2000-2004

Year	Single-Family Homes			Condominiums		
	Amesbury	Newburyport	Salisbury	Amesbury	Newburyport	Salisbury
2000	\$212,000	\$292,250	\$175,000	\$106,250	\$212,000	\$137,500
2001	\$247,000	\$334,000	\$183,000	\$127,750	\$242,900	\$180,000
2002	\$275,000	\$345,000	\$230,000	\$141,000	\$262,500	\$219,004
2003	\$300,000	\$380,000	\$270,000	\$165,000	\$279,900	\$263,000
2004	\$320,400	\$430,000	\$310,000	\$180,000	\$324,900	\$229,900

Source: The Warren Group, "Free Market Stats" Database.

While Salisbury offers some lower priced housing options than communities nearby, the Town also has lower household income rates than neighboring towns and much lower incomes than households in communities elsewhere in the Boston region. Table 13 shows that although Salisbury has a small percentage of households with extremely low incomes (below \$10,000), households with low and moderate incomes comprise a larger percentage of all households in Salisbury than in Essex County, or the State, and households with high incomes are far less common. For example, nearly one fifth of all households in Essex County have annual incomes of \$100,000 or more, while just over one tenth of households in Salisbury have such incomes greater than \$100,000.

Table 13: Incomes by Household Type & Distribution of Incomes by Income Range

Income Measure	Salisbury	Essex County	Massachusetts
Median Household Income	\$49,310	\$51,576	\$50,502
Median Family Income	\$56,327	\$63,746	\$61,664
Median Non-Family Income	\$29,755	\$27,953	\$29,774
Household Income Distribution			
< \$10,000	6.9%	8.7%	8.8%
\$10,000-\$14,999	6.1%	5.5%	4.9%
\$15,000-\$24,999	9.9%	9.9%	10.2%
\$25,000-\$34,999	11.2%	10.0%	10.4%
\$35,000-\$49,999	16.7%	14.2%	14.5%
\$50,000-\$74,999	24.0%	19.6%	19.6%
\$75,000-\$99,999	14.5%	13.1%	12.8%
\$100,000-\$149,999	8.2%	11.6%	10.9%
\$150,000-\$199,999	2.3%	3.6%	3.3%
\$200,000+	.2%	3.8%	3.5%

Source: Census 2000, Summary File 3 Tables P52, P54, P77, P80

Affordable Housing

In spite of continued efforts to make affordable housing and low and moderate income households understandable terms, they continue to be misunderstood by many. And due to their technical definitions, they are difficult to distill into easy descriptions.

Affordable housing refers to housing that has a sale price or rental amount that is within the means of a household that may occupy *middle-, moderate-, or low-income* housing. In general terms it means housing in which ownership costs (including the mortgage, amortization, taxes, insurance and any homeowner or association fees) or rental costs

(including rent and utilities) do not exceed 30% of the household's annual gross income (AGI).

Further, affordable housing can be classified as low-income, moderate-income or middle-income. This refers to the targeted household based on median annual income. *Low-income* is defined to be a household earning less than 80% of the median annual income (adjusted for household size as determined by the United States Department of Housing and Urban Development). Moderate income is defined to be a household with a gross household income that is greater than 50% but does not exceed 80% of the median gross household income. Middle-income is defined as a household with gross household income greater than 80% but does not exceed [specify a number within a range 95-120%] of the median gross household income.

Using Salisbury's median family income, and discounting family size for ease of representation, the following chart shows what low-, moderate- and middle-income means in Salisbury. It shows that between one third and one half of all Salisbury households would be eligible for low-income housing and roughly between 10 and 25% would be eligible for moderate income affordable housing.

Table 14: Estimated % of Households and Gross Annual Household Income by Income Ranges

Household Income as Percent of Median Household Income	Gross Annual Household Income	Estimated Percent of Salisbury Households
Low-income: less than 80%	<\$39,448	> 34% and < 50%
Moderate-income: 50%-80%	\$24,655-\$39,488	>10% and <27%
Middle-income: 80%-100%	\$39,488-49,310	<16%

However, the next step to ownership is to actually be able to afford the housing that is available. Affordability is based on having standard ownership or rental costs not to exceed 30% of household income. Housing costs above the 30% indicate the household is housing cost burdened meaning a disproportionate amount of the households income is spent on housing, making the household at risk for not being able to afford other necessities such as transportation, food and health care. When we look at that statistic, it shows that affordable housing for low income households should cost no more than \$987 a month including mortgage, amortization, taxes and insurance.

With these statistics it is easy to see why so many people in the community are unable to own their own homes through conventional means and why providing homeownership subsidies and rental options is critical for assuring all households are adequately and affordable housed.

Subsidized & Assisted Housing

Chapter 40B

Chapter 40B is a state statute that enables local Zoning Boards of Appeals (ZBAs) to approve affordable housing developments under flexible rules if at least 20-25% of the

units have long-term affordability restrictions. Also known as the Comprehensive Permit Law, Chapter 40B was enacted in 1969 to help address the shortage of affordable housing statewide by reducing unnecessary barriers created by local approval processes, local zoning, and other restrictions.

The goal of Chapter 40B is to encourage the production of affordable housing in all cities and towns throughout the Commonwealth. The standard is for communities to provide a minimum of 10% of their housing inventories as affordable. A total of 47 cities and towns have now met that standard. While a comprehensive permit under Chapter 40B can be proposed in any community, those communities that fall below the 10% threshold must approve a Chapter 40B development unless there is a valid health, safety, environmental, design, open space, or other local concern relating to the proposed development that clearly outweighs the housing need represented by the 10% threshold..

Many communities have used Chapter 40B to successfully negotiate the approval of quality affordable housing developments. The program is controversial, however, because the developer (a nonprofit organization or limited-dividend company) has a right of appeal if the local zoning board rejects the project or imposes conditions that are uneconomic. Today 8.33% of Salisbury's year round housing inventory is affordable (or Chapter 40B) as defined by the State. When the Town achieves its minimum goal of 10%, it then has the option of accepting or rejecting Chapter 40B housing developments.

Chapter 40B homeownership developments are the only source of new affordable housing production in Salisbury. Because the minimum required mix in a 40B homeownership development (including single-family developments and condominiums) is 25% low- and moderate-income units, such developments generate three market-rate units for every one Chapter 40B unit, which increases the amount of affordable housing that Salisbury has to create in order to achieve the 10% statutory minimum. In contrast, every apartment in a Chapter 40B rental development qualifies for the Subsidized Housing Inventory even though nearly all for-profit rental developments also generate three market rate units for every one affordable unit. By adopting this policy, the state hoped to encourage communities to approve comprehensive permits for new rental housing because affordable rental units are in such short supply, particularly in Eastern Massachusetts.

The Chapter 40B Subsidized Housing Inventory reported in the 2006 Salisbury Housing plan includes 172 units in Salisbury, or 4.98% of the town's 3,456 year-round housing units reported in the 2000 Census. Today the inventory is at 8.33%, a dramatic increase due to recent condominium developments. The largest subsidized housing development is the Salisbury Housing Authority's Great Meadows Village, an 80-unit public housing development for seniors and persons with disabilities. Another elderly rental development, Bayberry Point, offers 30 subsidized units for senior over 62 and disabled non-elders. Table 15 lists units recognized by the state as Chapter 40B units in Salisbury in the 2007 Subsidized Housing Inventory.

Table 15: Salisbury Chapter 40B Subsidized Housing Inventory

Name of Development	Address	Type	Units
Great Meadows Village	Beach Rd.	Rental	80
Bayberry Point	Beach Rd.	Rental	30
Windgate at Salisbury	Beach Rd.	Ownership	19
Salisbury Woods	Bridge Rd.	Ownership	0
Falling Leaf	Ferry Rd.	Ownership	13
Beach Road Estates	Beach Rd.	Ownership	7
DMR Group Homes	Confidential	Rental	4
Housing Rehab Program	Mudnock Rd.	Mix	17
Frank Gorman	Beach Rd.	Ownership	2
Total Chapter 40B Units, December 2005			172
Chapter 40B Percentage, December 2005			4.98%
Chapter 40B Housing Inventory, August 2007			288
Chapter 40B Percentage, August 2007			8.33%
Total Year-Round Units, April 2000			3,456

Source: DHCD, December 2005.

Finally, it should be noted that the Town's recent progress toward the Chapter 40B threshold will be reversed within 5 years as a result of the manner in which the Chapter 40B percentage is computed. The percentage is calculated on the basis of the total number of year-round housing units reported the most recent decennial federal census: that is, while new subsidized units are added to the inventory on an ongoing basis, the denominator in the formula changes only once every 10 years. As a consequence, Salisbury's Chapter 40B percentage will drop significantly when the 2010 census of housing data are released in 2011. Not only has there been an upswing in the amount of residential development during the last few years, but it is likely that the trend toward conversion of seasonal units to year-round occupancy is continuing. From 2000 through

June 2007 building permits were issued in Salisbury for 476 residential buildings containing a total of 576 new dwelling units.⁴ Assuming that this trend continues through 2009, the Town's 10-year housing growth will be 768 dwelling units, bringing the total housing stock to 4,924. Then, assuming that all the new units will be in year-round occupancy (and assuming no further conversion of existing seasonal units to year-round occupancy), the year-round housing stock in 2010 will be 4,224 units, and the current (2007) inventory of 288 Chapter 40B units would drop to 6.8% of the Town's year-round units. Therefore, in order to attain the 10% threshold by the year 2010, Salisbury will need to permit 150 new Chapter 40B units in the next 4 years, if all such units are for rental occupancy. If the new Chapter 40B units are in homeownership developments (with 25% of the units designated as affordable), the Town will need a total of 896 new units, in addition to the projected growth in market-rate housing.

Table 16: Additional Chapter 40B Units Needed to Reach 10% Threshold

	August 2007 (estimated)	April 2010 (projected)
Total housing units	4,156	4,924
Year-round housing units	3,456	4,224
Year-round market-rate units	3,168	3,936
Chapter 40B housing units	288	288
Chapter 40B percent of total year-round units	8.33%	6.82%
Additional units to reach 10% Chapter 40B threshold:		
Affordable units in Chapter 40B rental developments	64	150
Total units in Chapter 40B ownership developments (25% affordable)	384 (96)	896 (224)

⁴ <http://censtats.census.gov/bldg/bldgprmt.shtml>, accessed August 19, 2007.

Section 8

Section 8 is a federal government housing assistance program for low-income families and individuals. Section 8 assistance may be in the form of rent vouchers given to tenants to help pay their rent; homeownership assistance to help pay a mortgage loan; or project-based subsidies used to keep rents low in specific private housing developments. With a Section 8 tenant-based voucher, a family may choose its own apartment. The apartment must be safe and clean, and the rent must be reasonable. Families usually pay 30% of their income for rent, and the Section 8 program pays the rest. If the family moves, they may use their voucher for a different apartment. The waiting list for family subsidized housing through Section 8 Vouchers is currently closed. The Section 8 Voucher wait list was last open for 5 business days in September of 2002. Over 2,700 applicants submitted pre-applications, from which the lottery chose 250. So far 22 vouchers have been issued. The wait list for Section 8 Vouchers “could not be served in the next 2 years,” the maximum estimate. Clearly there is a large unmet need for family subsidized housing.

Elderly and Disabled Housing

According to the 2005 Housing Needs Assessment the waiting list for elderly and disabled subsidized housing ranges from 1.5 years to 5 years. There are currently 364 people on the wait list for Great Meadow Village (254 elders and 164 non-elders) and 31 people on the wait list for Bayberry Point.

Unmet Needs⁵

Affordable Ownership Units:

Based on a recent analysis by the Salisbury Housing Partnership, the ownership units created by recent 40B projects have not met the needs of people in Salisbury. They found that the “affordable” prices of these units are not affordable for the majority of residents in the town. The majority of the units that have been built have been limited to individuals over the age of 55. The strict limitations of assets participants are allowed to maintain, combined with the small band of income eligibility have combined to limit eligibility to very few. The table below documents the number and type of affordable ownership units in the town of Salisbury:

Table 17: Number and Type of Affordable Ownership Units in Salisbury

Units	Type	Population	Description	Expiration
37	Ownership	Elderly	Falling Leaf & Beach Road Estates 1 Bedroom Units for ages 55+	N/A
14	Ownership	Family and/or individual	Housing Rehab Program	2018-2019
2	Mix	Family and/or individual	Housing Rehab Program	2018
2	Ownership	Family and/or individual	2 Bedroom Units	2033

Source: Housing Needs Assessment, 2005

While the median household income throughout Salisbury was \$49,310 at the time of the 2000 census, the median household income for renters was only \$36,543. The following table is designed to estimate how much buying power the renters of Salisbury have, based on 5% down, 30 year loans, with 6% interest and no home owners association or condo fees, while paying no more than 30% of their gross income in housing costs:

⁵ Housing Needs Assessment, 2005

Table 18: Number, % and Affordability Range by Income of Renter Occupied Housing Units

Household Income	Number	Percent	Affordability Range
Less than \$5,000	31	3.2	None - None
\$5,000 to \$9,999	144	14.9	None - None
\$10,000 to \$14,999	98	10.1	None - None
\$15,000 to \$19,999	47	4.9	\$50,000 - \$67,000
\$20,000 to \$24,999	51	5.3	\$67,000 - \$83,000
\$25,000 to \$34,999	84	8.7	\$83,000 - \$117,000
\$35,000 to \$49,999	197	20.4	\$117,000 - \$167,000
\$50,000 to \$74,999	178	18.4	\$167,000 - \$250,000
\$75,000 to \$99,999	63	6.5	\$250,000 - \$334,000
\$100,000 to \$149,999	67	6.9	\$334,000 - \$501,000
\$150,000 or more	8	0.8	\$501,000 +

Source: Housing Needs Assessment, 2005

According to The Warren Group, the median sales price for a single family home in Salisbury for 2004 was \$310,000. Assuming that Salisbury residents have experienced an annual income increase at the area rate of about 3.8%, it can be estimated that, based on income alone:

- Only 25.2% of *all* Salisbury households could afford to purchase a median priced home in the Town of Salisbury; and
- Only 14.2% of Salisbury's *renter* households can afford a median priced rental home in the Town.

Because the owners of mobile homes are likely to earn less than other home owners in Salisbury, this population is more likely to become displaced as these structures deteriorate. There are currently 298 mobile homes in the town of Salisbury, representing

7.2% of the Town's entire occupied housing stock. It is recommended that the Town seek grants, low-interest loan opportunities and other outside funding to assist residents living in mobile homes to repair and replace these structures.

In addition to the overwhelming increases in housing costs over the past few years, many current renters may feel locked out of the local housing market because they have had difficulty saving toward a down payment or are simply not aware of how they can qualify for a mortgage. The Salisbury Housing Partnership Committee recommends that the Town tap into educational programs currently available for new homeowners through local vendors, HUD and other agencies. They also recommend that the town consider establishing a Down Payment Assistance Program to assist first time homebuyers with initial down payments.

Affordable Rental Units

While renting is typically a less expensive option than homeownership it still is a cost that many in Salisbury are unable to reasonably meet. There are currently 309 renter households paying more than 30% of their income for rent, with 151 of those households paying more than 50%. Salisbury has a low percentage of renting seniors, indicating there may be a need for additional rental options for this age group. There are also hundreds of households with no year round housing option, homeless or living in local hotels or campgrounds at seasonal rates. These are the households representing the greatest need.

These numbers, as well as the cost of local real estate, would suggest that Salisbury give preference to multi-unit dwellings in its criteria for the development of affordable rental options. Only 3.54% of Salisbury is currently zoned to support multi-unit residential areas, while Smart Growth principles and many funding opportunities support multi-unit housing. The DHCD indicates a direct correlation between multi-unit housing and affordability. The SHPC supports the development of multi-unit housing in the town of Salisbury, while recognizing the challenge of creating such housing to fit harmoniously with the scale of the community. Salisbury must continue educating the public and working with the Zoning Review Committee and other town boards to develop zoning to support more multi-unit development in Salisbury.

Based on information received from the Salisbury Housing Partnership Committee, affordable rental housing represented the highest unmet housing need in Salisbury. The second most pressing need is assisted living housing for ages 55 and over.

Addressing Housing Needs

According to the recently adopted Salisbury Housing Plan, Salisbury recognized the need for an affordable housing plan in the late 1990s when the Town received several comprehensive permit, also called Chapter 40B proposals. In addition, a visioning process for the Town's E.O. 418 Community Development Plan revealed concerns that the price of housing had increased to the point that Salisbury was becoming unaffordable for many of its own residents. Since then, Salisbury has begun to establish local capacity

and undertaken additional planning initiatives to implement the Community Development Plan and address housing needs.

- A Zoning Review Committee (ZRC) was established at the 2004 Annual Town Meeting, and in June 2004, the Board of Selectmen created the Salisbury Housing Partnership Committee (SHPC) to evaluate the Town's housing needs.
- At the 2005 Annual Town Meeting, the ZRC proposed two zoning changes to encourage affordable housing development: inclusionary housing and flexible residential development. Town Meeting approved both initiatives.
- The SHPC published a comprehensive Housing Needs Assessment in June 2005 and was instrumental in gaining Town Meeting support to establish an Affordable Housing Trust Fund.
- The Town recently held visioning session for the downtown Salisbury Square in October 2005 as a precursor to creating a zoning proposal for the area that would encourage upper-floor residential uses in this district.

Since the adoption of the Salisbury Housing Plan in 2006 additional progress has been made through zoning changes.

- In 2007 Salisbury voted to create a Motel Reuse Overlay District to encourage motel owners to consider redevelopment to promote a variety of housing choices including affordable units and to guide growth toward established areas.

- The Town simultaneously approved the Village Residential Overlay District to provide for a variety of one- and two-family housing opportunities in neighborhoods adjacent to Salisbury Square in a manner compatible with existing neighborhood scale and architectural styles; and to encourage housing development near goods and services.
- The Village Center District established in 2007 encourages redevelopment of Salisbury Square as a village center with a mix of pedestrian-oriented businesses and housing. It will allow mixed use buildings with businesses and residences on the same parcel.

Housing Goals⁶

The 2006 Salisbury Housing plan lists the housing goals that were developed in response to the Salisbury Community Development Plan and Salisbury Housing Needs Assessment. The goals include:

Increase the supply of low- and moderate-income rental housing for individuals of all ages, and families.

The Comprehensive Housing Affordability Strategy (CHAS) data indicate that nearly 40% of Salisbury's renter households have incomes at or below 50% of AMI (Annual Median Income) and would qualify for subsidized rental housing. Although elderly renters surpass other renters for high incidence of very-low income households, they also

⁶ Salisbury Housing Plan, 2006

have a lower incidence of housing cost burden than small families, single people and non-family households. This largely reflects the composition of Salisbury's existing Chapter 40B subsidized Housing Inventory because the Town's only subsidized rental units are restricted to seniors and persons with disabilities. Further, many below-market rental units that would be affordable to very-low-income people are not available to them because the units are already occupied by tenants who can afford to pay more for housing.

Provide Chapter 40B homeownership units that are actually affordable to Salisbury residents, whose incomes are lower than 80% AMI for the Boston metropolitan area.

Salisbury has needs for safe, decent, affordable homeownership opportunities not only amount moderate-income renters, but also moderate-income homeowners living in homes they cannot afford. The need for affordable, suitable homes is particularly evident for small and larger families. Although a moderate-income family of four near Boston may be able to qualify for a mortgage to purchase a Chapter 40B homeownership unit priced from \$173,000-\$194,000, this is not the case for many of Salisbury's working families. Given the depressed incomes of Salisbury households, a more responsive pricing scheme for homeownership units would be \$131,500 - \$145,000.

Increase year-round affordable housing opportunities, making use of existing built assets wherever possible and reducing the incidence of homelessness.

As more of Salisbury's traditionally seasonal housing converts to year-round homes, people who have depended on access to affordably priced off-season rentals will have

fewer options. A large percentage of Salisbury's homeless population comes from surrounding communities because Salisbury has so much housing that is affordable on a temporary basis.

Reduce the incidence of substandard housing and overcrowded dwelling units, particularly for renters and mobile home occupants.

There is statistical, visual and economic evidence that Salisbury has many substandard housing units and lower income residents that cannot afford to maintain their homes. More than half of all low-cost, owner-or renter-occupied housing units in Salisbury were built before lead-based paint was banned in the 1970s. Further, Salisbury has numerous vacant units available for rent at amounts that are technically affordable to very-low-income people, but these low rents go hand-in-hand with poor housing quality. Salisbury also has mobile home residents with housing quality problems and few options to address them, particularly if they do not own the land. Why does this disagree with statements made earlier about only 1.5 and 1/7% of single family and multi-family housing stock in poor-very poor condition. (pg 9)

In order to supply additional affordable housing in a more economical way than single family housing ***Salisbury should increase the supply of multi-family housing in a manner that respects the urban design context of the community.*** Multi-family buildings should work harmoniously with the Town's small coastal community character. This may translate into small-scale multi-unit housing that integrates well with existing neighborhoods. However, larger buildings can be designed to mitigate visual impacts and

prevent the appearance of monotonous, bulky structures that conflict with established neighborhoods and business areas. Salisbury also has older motel buildings that could be redeveloped as multi-family housing and provide permanent affordability for low-income families.

Homelessness is a regional problem that needs regional solutions. ***The Town should develop a partnership with regional homeless agencies such as the Massachusetts Coalition for the Homeless to develop strategies to prevent and manage homelessness.***

The Salisbury Housing Partnership Committee has begun reaching out to public officials to assist them in obtaining more information about Salisbury's homeless student population in order to develop meaningful solutions. In addition, the town needs to consider options to reduce the overflow of homeless populations into the community, such as redevelopment of excess motel capacity.

Master Plan Objectives

The Salisbury Master Plan will help to identify the appropriate types and locations for housing and recommend strategies for developing land use regulations, building integrated boards and commissions and providing infrastructure and services that support the Town's housing goals.

References

Salisbury Housing Plan, 2006

Salisbury Housing Needs Assessment, 2005